ASSOCIATION BETWEEN GREECE AND THE EUROPEAN ECONOMIC COMMUNITY

Statement by H.E. Mr. Tziras of Greece on 28 March 1966,
on the Implementation of the Agreement Establishing an
Association Between Greece and the European Economic Community

After having listened to the account of the progress made by the European Economic Community which its distinguished representative has just given you, I must now inform the CONTRACTING PARTIES of the manner in which the Community and Greece have complied with their respective engagements under the Agreement of Association and the manner in which Greece, an Associate Member of the Common Market, has carried out its obligations, as a Member of GATT, in accordance with Article XXIV, paragraph 6, of the General Agreement. During 1965, the progressive dismantlement of customs duties and the elimination of the restrictions on trade between Greece and its partners, with a view to bringing about by degrees a customs union between Greece and the Common Market took place entirely in accordance with the plan and Schedule laid down in the Agreement of Association.

Firstly, with regard to Greek exports to the Common Market, it should be pointed out that, as from 1 January 1966, Greek industrial products imported into the Community benefit from a tariff reduction of 80 per cent, as compared with the duties applied in 1957, and that these products have not been subjected, since 1 November 1962, the date of entry into force of the Agreement, to any quantitative restrictions. With regard to the agricultural products of special concern to Greece, listed in Annex III to the Agreement, they enjoy, since 1 January 1966, a reduction of 60 or 65 per cent, according to whether they are liberalized or not, and they also benefit from quota liberalization. The three main Greek export items, namely raisins, tobacco and wines, receive even more favourable treatment: raisins, as from 1 January 1966, enjoy a tariff reduction of 90 per cent and tobacco as from 1 May 1965, a reduction of 70 per cent. As regards wines intended either for direct consumption or for industrial uses, such as the preparation of vermouth, the manufacture of vinegar distillation or blending, the tariff quotas, opened by Germany, France and Italy under Protocol No. 14 annexed to the Athens Agreement, have been increased.
Exports from the Common Market to Greece are treated as follows: the community's industrial products are at present granted a tariff reduction of 30 per cent on importation into Greece. The only exceptions are the products listed in Annex I to the Agreement, i.e. products that are also manufactured in Greece and are subject to a slower rate of liberalization. The tariff reductions granted to industrial products of this category amount, since 1 May 1965, to about 10 per cent. As regards the agricultural products of the Community, the reductions of tariffs also follow the Schedule laid down in the Agreement. Since 1 November 1965, it amounts to 30 per cent for products in Annex III; 10 per cent or 20 per cent, since 1 May 1965 for products mentioned in Protocol No. 13, namely certain staple foods, such as meat, poultry, fish, butter, cheese, etc.

As regards the harmonization of the Greek agricultural policy with that of the Community, progress has been made in the work on the five regulations adopted by the Community in 1962, dealing with cereals, pigmeat, poultry meat, eggs, and fruit and vegetables. Although certain problems of a general nature have not yet found a satisfactory solution, it has been possible to come to an agreement on the principle of harmonization in two stages, the first of which would be devoted to setting up in Greece the essential mechanisms for the Common Agricultural Policy and the second to the functioning of those mechanisms and the approximation of policies. In the meantime, the regime which Greece enjoys pending the harmonization of the agricultural policies, provided in the Agreement of Association, has been extended until 30 June of this year.

A review of the development of trade between Greece and the Common Market shows the following situation. In 1963, imports into Greece of products from the Community amounted to about $320 million. These imports increased in 1964 to $375 million and amounted in 1965 to $470 million. The percentage increase of imports into Greece from the Community was therefore 17 per cent between 1963 and 1964, and 26 per cent between 1964 and 1965, or a total of 46 per cent in two years. Greek exports to the Common Market have also increased, although to a lesser degree. In 1963, they amounted to about $95 million. In 1964 they increased to $115 million and in 1965 to $132 million. Greek exports to the Common Market therefore increased by 22 per cent from 1963 to 1964 and 15 per cent from 1964 to 1965, or a total of 39 per cent for the last two years. It can therefore be said that the volume of trade increased on both sides, which would appear to indicate that the Association does not benefit only one party to the Agreement.
I am glad to be able to draw the attention of the CONTRACTING PARTIES to the fact that the progressive application of the Agreement of Association did not slow down the development of trade between third countries and Greece. On the contrary, that trade has shown a considerable increase. Since the beginning of 1963, the first year of the application of the Agreement, the volume of exports to Greece from third countries rose from $484 million in 1963 to $510 million in 1964 and to $655 million in 1965, thus showing a total increase of 31 per cent, while the increase of exports from the Common Market during that period was 46 per cent, as previously mentioned. If, however, we compare the figure of exports into Greece for the year 1965 with that of the exports during the preceding year, we note that the rate of increase was 26 per cent for third countries, whereas it was only 26 per cent for the Common Market. These figures show clearly that the expansion of trade between Greece and the Common Market did not occur to the detriment of third countries.

As regards the alignment of the Greek customs tariff with the external tariff of the Community, a first approximation was effected on 1 November 1965 in accordance with Articles 20 and 38 of the Agreement. In view of that alignment, and well before 1 November, Greece had notified the CONTRACTING PARTIES that it was prepared to enter into negotiations with the governments concerned, under Article XXIV, paragraph 6, of the General Agreement. It had deposited with the secretariat of GATT for distribution, the tables of the new customs duties, resulting from the realization of the first stage of alignment, and also two tables showing the goods on which the customs duties had been either increased or reduced as a consequence of that alignment. The negotiations between the delegations of the countries concerned and of my delegation began in October last year and are still being continued.

As already pointed out in the Note of my delegation, distributed in document L/2454 on 12 July 1965, this first stage of alignment has resulted in a reduction of the general level of the Greek customs duties. Thus, out of a total of 2,316 headings, sub-headings, etc. of the Greek tariff which are affected by this alignment, the duties on 1,485 items have been reduced and those on 831 have been increased. If this appears to have been the result of the first stage of alignment of the Greek tariff on the Community tariff, the completion of the second stage of alignment, which, according to the terms of the Agreement of Association, will take place on 1 May 1970, will bring about a substantial reduction of Greek customs duties since it will include the industrial products listed in Annex I to this Agreement; these products are manufactured in Greece and therefore enjoy high protective duties.

Without going any further into the future developments of the Agreement of Association, I hope that, judging by what I have explained, the CONTRACTING PARTIES will be able to appreciate the manner in which Greece is at present applying the Plan and Programme of the Athens Agreement, while respecting its obligations under the General Agreement.